

**BRIAN BAK'S RESPONSE TO SURREBUTAL TESTIMONY
DOCKET NOs. 2019-224-E & 2019-225-E**

1 **Q. ARE YOU AWARE OF THE SURREBUTTAL TESTIMONY OF RACHEL S.**
2 **WILSON ON BEHALF OF CAROLINAS CLEAN ENERGY BUSINESS**
3 **ASSOCIATION, NATURAL RESOURCES DEFENSE COUNCIL, SIERRA CLUB,**
4 **SOUTHERN ALLIANCE FOR CLEAN ENERGY, SOUTH CAROLINA**
5 **COASTAL CONSERVATION LEAGUE, AND UPSTATE FOREVER FILED ON**
6 **APRIL 15, 2021?**

7 A. Yes.

8 **Q. HAVE YOU REVIEWED THE ASSOCIATED SYNAPSE REPORT**
9 **REFERENCED IN MS. WILSON'S SURREBUTTAL TESTIMONY?**

10 A. Yes, though I have not had an opportunity to thoroughly review or perform a detailed
11 evaluation of the report or testimony, or the assumptions relied upon by them.

12 **Q. HAS THAT IMPACTED YOUR ABILITY TO ANALYZE THE SYNAPSE**
13 **REPORT or MS. WILSON'S TESTIMONY?**

14 A. Yes. The fact that this Report was filed two weeks ago in surrebuttal has significantly
15 impeded my ability to thoroughly review and assess it before the hearing.

16 **Q. THE SYNAPSE REPORT ASSUMES THAT DUKE CAN RAMP UP ITS ENERGY**
17 **EFFICIENCY PROGRAMS UP TO 1.5 PERCENT OF RETAIL SALES. WHAT IS**
18 **YOUR REACTION TO THIS ASSUMPTION?**

19 A. According to the report, these savings assumptions are used because Massachusetts and
20 Rhode Island have, in the past, achieved savings ranging from 2 to 3 percent. It is not at
21 all clear how these very high-level comparisons are reasonable, nor why they are more

1 reasonable than the primary research conducted by our outside expert Nexant as part of
2 the Market Potential Study and Duke's 5-year program plan.

3 **Q. ARE THERE OTHER ASPECTS OF THE SAVINGS ASSUMPTIONS WITH**
4 **WHICH YOU TAKE ISSUE?**

5 A. Yes. The states relied upon in the Synapse Report are very different from DEC's and
6 DEP's service territory as to significant factors relevant to energy efficiency, including
7 climate, age and type of housing stock, fuel types for space and water heat as well as other
8 energy end uses, retail energy prices, avoided energy costs and average usage per retail
9 customer.

10 Further, Figure 8 of the Synapse Report shows savings as a percent of sales
11 declining for those two cited states in recent years indicating that even in these states they
12 may not be able to sustain these levels of savings over time, particularly as evolving codes
13 and standards continue to raise the baseline efficiency levels against which utility savings
14 are measured.

15 **Q. THE SYNAPSE REPORT RELIES UPON A 2020 REPORT FROM ACEEE. HAVE**
16 **YOU SEEN THAT REPORT?**

17 A. Yes. The ACEEE report relied upon by Synapse names Duke Energy as a leader in energy
18 efficiency programs in the Southeast region. Furthermore, this report identifies the primary
19 barriers to achieving higher levels of EE savings in the future to be legislative or procedural
20 and, thus, are not within the control of Duke Energy.

21 In contrast to the Synapse Report, the Nexant Market Potential Study used as the
22 basis for the DEC and DEP EE forecast is a systematic, evidence-based analysis of the

1 known, supportable and quantifiable energy and demand savings that are actually relevant
2 to the DEC and DEP service territory.

3 **Q. THE SYNAPSE REPORT ALSO ASSUMES THAT COSTS PER KILOWATT-**
4 **HOURLY SAVED REMAINS CONSTANT THROUGH 2035. HOW DO YOU**
5 **RESPOND?**

6 A. This is a faulty assumption as there are material differences between historical periods in
7 energy efficiency and future potential costs. The success of EE/DSM in the previous 10
8 years has been significantly driven by advancements in energy efficient lighting through
9 CFLs and LEDs that have provided high savings at low costs. The majority of these lighting
10 savings are no longer available moving forward, and the remaining opportunities to drive
11 such large savings impacts are projected to cost much more.

12 **Q. THE SYNAPSE REPORT RELIES UPON A 9.6% SAVINGS LEVEL BY 2035. IS**
13 **THAT A REASONABLE EE ASSUMPTION?**

14 A. No. In fact, the ACEEE report upon which the Synapse Report relies assumes only a 3.6%
15 savings level by 2040 from utility energy efficiency programs in the absence of significant
16 changes in government policy. It is unclear how or why the Synapse Report nearly tripled
17 that savings level by 2035.

18 **Q. WHAT ARE FINAL THOUGHTS ON THE SYNAPSE REPORT?**

19 A. Recognizing again that I have not had an adequate opportunity to evaluate the report, it
20 nevertheless appears that the energy efficiency assumptions upon which it relies are
21 completely dependent upon significant legislative and policy changes that are speculative
22 and which may never come to fruition. For that reason, it has very limited if any value as
23 part of this resource planning proceeding.